



STATE BOARD OF LAND COMMISSIONERS

Dirk Kempthorne, Governor and President of the Board

Pete T. Cenarrusa, Secretary of State

Alan G. Lance, Attorney General

J. D. Williams, State Controller

Marilyn Howard, Superintendent of Public Instruction

Stanley F. Hamilton, Secretary to the Board

FINAL MINUTES Regular Land Board Meeting October 10, 2000

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, October 10, 2000 in Boise, Idaho. The meeting began at 9:05 a.m. The Honorable Dirk Kempthorne presided. The following members were present:

Honorable Secretary of State Pete T. Cenarrusa
Honorable Attorney General Alan G. Lance
Honorable State Controller J. D. Williams
Honorable Superintendent of Public Instruction Marilyn Howard

Secretary to the Board Stanley F. Hamilton was absent for this meeting. Department of Lands Assistant Director for Lands, Range and Minerals, Jay Biladeau, facilitated the meeting in Director Hamilton's absence. Attorney General Lance left the meeting at 11:00 a.m.

• **CONSENT AGENDA**

Assistant Director Biladeau provided background information on the Consent Agenda items.

A motion was made by Attorney General Lance to approve the Consent Agenda in its entirety. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.

1. Official Transactions – approved

- A. Interest Rate Reports – August 2000 – September 2000
- B. Bureau of Minerals Official Transactions – July – August 2000
- C. Bureau of Range Management and Surface Leasing Official Transactions for Cropland, Grazing, Cottage Site, Miscellaneous and Submerged Land Leases – July – August – September 2000
- D. Timber Sale Official Transactions for the Period July 21, 2000 through August 17, 2000
- E. Timber Sale Official Transactions for the Period August 18, 2000, through September 20, 2000
- F. Bureau of Real Estate, Easement Section, Official Transactions – July 2000 – August 2000
- G. Bureau of Real Estate, Land Sale Section, Official Transactions – July 2000 – August 2000

2. Timber Sales – Staffed by Ron Litz, Chief, Bureau of Forest Management – approved

- | | | |
|--------------|---------------|--------------------------------|
| A. CR-2-0201 | Hoo Doo Poles | 565 MBF (4,115 poles / pieces) |
| B. CR-5-0096 | Deep Eagle | 3,830 MBF |
| C. CR-2-0213 | Mica Peak | 3,410 MBF |

3. Application for Qualified Bidders List, Timber Sales – Staffed by Ron Litz, Chief, Bureau of Forest Management – approved

- A. Jacksons Idaho Service, 203 Wallula, Post Office Box 9, Idaho City, ID 83631

4. **Lease to Construct 60-Bed Facility at ISSH** – Staffed by Ken Frazee, Chief of Facilities Management, Idaho Department of Health and Welfare – **approved**

DEPARTMENT RECOMMENDATION: It is recommended that the Land Board approve the Department of Health and Welfare's lease of ground at ISSH to the Idaho State Building Authority for purposes of development and financing construction of the new ISSH facilities.

BOARD ACTION: Approved.

5. **Idaho State Police Request for Approval to Purchase Land in Jerome as a Site for the Region 4 Idaho State Police Office** – Staffed by Ann Thompson, Idaho State Police – **approved**

DEPARTMENT RECOMMENDATION: It is recommended that the Land Board approve the Idaho State Police acquisition of the Jerome property for development of a Region 4 office.

BOARD ACTION: Approved.

6. **Department Recommendation from Auctions for Grazing Leases G-8343, G-8630 and G-9673** – Staffed by Tracy Behrens, Range Management Specialist – **approved**

DEPARTMENT RECOMMENDATION: The department recommends that the board accept the high bids that were submitted for each of the auctions identified and that new grazing leases be issued to each of the high bidders. Each grazing lease will include a management agreement based on the management proposals submitted by the applicants and agreed to by the department.

BOARD ACTION: Approved.

7. **Boise River Disclaimer – Request for Approval of Disclaimer of Interest to Wayne Clements on 13.10 Acres of Accretion Land Adjacent to the Boise River in Ada County** – Staffed by Don McNarie, Real Estate Specialist – **approved**

DEPARTMENT RECOMMENDATION: It is recommended that a disclaimer of interest be issued for this parcel of accretion land totaling 13.10 acres adjacent to the present location and being part of the former location of the Boise River. This disclaimer of interest will be issued contingent upon the applicant granting to Garden City a 12.00 foot wide permanent greenbelt pedestrian easement for approximately ½ mile along the south boundary of the applicant's property. The recommended fee is \$600.00.

BOARD ACTION: Approved.

8. **Boise River Disclaimer – Request for Approval of Disclaimer of Interest to Larry Stevens on 3.38 Acres of Accretion Land Adjacent to the Boise River in Ada County** – Staffed by Don McNarie, Real Estate Specialist – **approved**

DEPARTMENT RECOMMENDATION: It is recommended that a disclaimer of interest be issued for this parcel of accretion land totaling 3.38 acres adjacent to the present location and being part of the former location of the Boise River. This disclaimer of interest will be issued contingent upon the applicant granting to Garden City a 6.00 foot wide permanent greenbelt pedestrian easement for approximately 1,000 feet along the applicant's east property boundary. The applicant will grant the easement with the understanding that the adjacent landowner will grant a 6.00 foot wide strip along his west property boundary for a greenbelt easement. This 12.00 foot wide easement will then connect to the greenbelt easement through Riverside Subdivision. The applicant shall also be required to grant to the State of Idaho a disclaimer of interest for the current riverbed lying adjacent to the applicant's property. The applicant will also grant to the State of Idaho a 5.00 foot wide strip of

land along the ordinary high water mark for approximately 1,700 feet along the applicant's property for an unimproved public access easement. The recommended fee is \$600.00.

BOARD ACTION: Approved.

9. Minutes – approved

- A. Regular Land Board Meeting – July 11, 2000
- B. Special Land Board Meeting – August 24, 2000

• REGULAR AGENDA

10. Audience with the Board – Roy Eiguren, Chairman, Capitol Commission

MR. EIGUREN: The Capitol Commission requests the board's assistance in fulfillment of its statutory obligation to develop a funding program for the restoration and long term maintenance of the Idaho State capitol building.

Four alternatives were discussed:

ALTERNATIVE 1: Continue to manage the lands to maximize revenue in the long term as a part of a well-diversified land asset portfolio. This is consistent with current management direction for the lands.

ALTERNATIVE 2: Manage the lands to maximize revenue over the next twenty years consistent with state law. This would require that the lands be inventoried and managed as a separate management unit rather than as part of the state land asset portfolio. We do not recommend consolidating the Capitol Endowment lands into a discrete unit. This would unreasonably increase the fire, insect and disease risk to the endowment land asset.

ALTERNATIVE 3: Cut timber on the lands to the maximum amount allowed by state law and then dispose of the land either to a private party or to another endowment.

The Capitol Commission has offered a fourth alternative:

ALTERNATIVE 4: The State Board of Land Commissioners directs the Department of Lands and the Endowment Fund Investment Board to jointly develop by May 2001 a plan to return an income stream from the Capitol Endowment lands and permanent fund to retire a 5%, 20 year, \$20 million bond (about \$1.6 million per year). The plan would evaluate the exchange of Capitol Endowment lands to other state endowments for less desirable parcels of equal value that would then be disposed at public auction with the proceeds placed into the Capitol Permanent Endowment Fund. The Endowment Fund Investment Board would then adjust its investment strategy for the financial trust to provide the cash flow needed to retire the \$20 million bond.

DISCUSSION: On behalf of the Land Board, Governor Kempthorne thanked Mr. Eiguren and the Commission for the many hours they have devoted to this effort. He commented that the term "restoration" includes a variety of definitions, such as indoor fire sprinkler systems, HVAC, wiring and other items necessary to be good stewards of the building. Mr. Eiguren added that fully 60% to 65% of the identified items in the Master Plan clearly relate to the infrastructure of the building. The restoration is not about carpets and curtains. The restoration is about maintaining the integrity and long-term use of the building.

DEPARTMENT RECOMMENDATION: Direct the department to continue managing the Capitol Endowment lands as part of a well-diversified land asset portfolio (Alternative 1). We believe this will ensure the greatest returns to the endowment in the long term.

CAPITOL COMMISSION RECOMMENDATION: The Capitol Commission requests that the board adopt Alternative 4 but also include a review of Alternative 2. The board would direct the Department

of Lands and the Endowment Fund Investment Board to work with the Commission to review these two viable options. A report would then be brought back to the Board of Land Commissioners no later than May 1, 2001 indicating the findings on the two alternatives along with a recommendation on how the board might proceed.

BOARD ACTION: A motion was made by Attorney General Lance to receive the report and to adopt the recommendation of the Capitol Commission. Controller Williams seconded the motion. The motion carried on a vote of 5-0.

11. Audience with the Board – Mary Ann Mix, Blaine County Commissioner

□ Use of Ohio Gulch (*Denial of Conditional Use Permit for Gary McStay Construction*)

Blaine County Commissioner Mary Ann Mix requested an audience with the board regarding the use of the Ohio Gulch state parcel. The County Commission recently denied the appeal of Gary McStay Construction. Commissioner Mix requested an opportunity to give the Land Board the County Commission's perspective of what happened in that process and where the Commission stands.

COMMISSIONER MIX: A number of state gravel leases have been operating on state endowment land in Section 16. In the past few years most of those lessees have come before the county and have requested conditional use permits. In the past those permit applications have been allowed and permitted for a period of time.

During the past year Mr. McStay asked for a conditional use permit to extract gravel. Planning and Zoning (P&Z) denied Mr. McStay's permit because he did not propose any mitigation of conditions. Mr. McStay appealed P&Z's decision to the Blaine County Commissioners (Commissioners). Because of the way the appeal was handled the Commissioners had no choice but to uphold the decision of P&Z denying the McStay application.

When Mr. McStay raised the appeal he identified two issues. One issue was lack of jurisdiction and the other issue was selective enforcement. The lack of jurisdiction argument failed because Mr. McStay agreed to the conditional use permit process. The county disagrees with the argument regarding jurisdiction. With regard to selective enforcement there is no factual basis in the record to support that argument. Mr. McStay did not raise any issues concerning the actual decision of P&Z and the standards of evaluation for the conditional use permit.

Commissioners did not know until late August that Mr. McStay would not be filing a brief. The lack of a brief worked to the Commissioners' disadvantage because it gave them very little choice as to the outcome in the appeal. As an appellant, you can only deal with the issues that are raised in the appeal, which in this case was jurisdiction and selective enforcement.

The outcome of the McStay appeal directly affects the interim Memorandum of Agreement (MOA) that the Commissioners and the Land Board have been working on for the last few months. The Blaine County Prosecuting Attorney has advised the Commissioners that denial of the McStay conditional use permit application, and then entering into a lift work order and all of the enforcement actions, would be incompatible. The Blaine County Prosecuting Attorney also feels that there is a substantial likelihood of the court overturning the Commissioners' action in entering into this MOA.

In addition, the MOA has a clause that states it would be void if in fact there was any court action. The Commissioners have been told that the adjacent homeowners association intends to take the county to court for failure to enforce its own zoning ordinances.

The county is taking what it believes to be the best course of action and an action that has been discussed with Controller Williams and Deputy Attorney General Clive Strong. That is, the Commissioners are pursuing a special zoning district for Ohio Gulch. The zoning ordinance would create a separate zoning district that would address the needs of the state as well as addressing the needs and interests of involved parties.

DISCUSSION: Attorney General Lance asked Commissioner Mix for the status of the special zoning regulation for Ohio Gulch. Commissioner Mix responded that the Commissioners have been working diligently and a draft has been prepared. The draft will be sent to Planning and Zoning for the public process. Attorney General Lance asked for a copy of the draft regulation for Land Board review. Commissioner Mix stated a copy would be provided.

Controller Williams commented that he is perplexed. A lot of effort has been put into trying to avoid a rather costly litigation. In view of the fact that there was a pending agreement, he asked why the County Board of Commissioners pursued the conditional use permit further.

Commissioner Mix stated the County Board has had some criticism that it took a number of months in order for the conditional use permit to be on Planning and Zoning's agenda. The delay was caused because Blaine County had numerous issues to deal with during that time. Once Mr. McStay appealed the decision, which was in late May, it took some time before transcripts were ready. The Commissioners felt during this entire period that Mr. McStay was going to file a brief. Mr. McStay never filed a brief. Mr. McStay merely appealed the decision on the two issues: no jurisdiction and selective enforcement. Those two issues are not germane to the standards of evaluation for the conditional use permit.

Controller Williams observed that the Blaine County Planning and Zoning Commission denied McStay's request because there was no mitigation. A lot of that mitigation involves trucks on the road. Yet there is a huge refuse facility on the other side of the state endowment land that those trucks regularly use. There are only three houses from the cattle guard to Highway 75 that front the road. The other side of the street is golf course.

The state has lost income this year from the sale of gravel, which is a hot commodity because of construction. Now the state wants to do construction on Highway 75, which will eliminate a lot of traffic problems. Blaine County might have been able to get a stoplight or road widening or possibly a bike path all through agreement. Now those options are gone.

Commissioner Mix stated that the County Board felt that working through the MOA and identifying the issues discussed, and even proposing some of the mitigation contained in the MOA, would resolve a lot of the issues. The Blaine County Prosecuting Attorney has told the County Board that it would be a legal mistake to sign the MOA now.

Blaine County Commissioners would like to continue working on the zoning ordinance and would encourage the state to attend the hearings so that some of the issues as discussed in the MOA can be incorporated within the actual ordinance itself. With regard to the mitigation, the transfer station has been located in Ohio Gulch for 25-28 years. The station went through the conditional use permit process and did receive a conditional use permit to continue to operate. It would be very costly to find another location for that purpose.

Attorney General Lance stated he shares the frustration expressed by Controller Williams. On several occasions the Land Board has consumed a lot of time talking to the Commissioners or representatives of Blaine County. The county wants to control the land but does not want to own it. There is an issue relative to the ability of the state to utilize its own land for the benefit of the endowment.

Attorney General Lance stated that the Land Board has tried to work with Blaine County to resolve this issue in a peaceful, non-litigious manner. Unfortunately it does not appear that is possible. The Land Board is trying to utilize the state endowment land in a manner consistent with the board's constitutional obligation.

Commissioner Mix stated that the Commissioners do understand the Land Board's position. The frustration of the County Commissioners is as high as the frustration level of the Land Board. Commissioner Mix pointed out that the lease held by Mr. McStay does state that he shall comply with

the local regulations, laws and guidelines. Commissioner Mix realizes the Land Board sees this as a constitutional issue and she stated she is not prepared to address that topic because she is not an attorney.

County Commissioners are trying to do what they think supports the interests not only of the state but of the Blaine County residents and constituents as well. Commissioner Mix also commented that in the past few years with some of the issues that have arisen in Blaine County the Commissioners do have a track record of trying to work issues out with the Land Board to reach some kind of balance. Commissioner Mix asked that the Land Board not give up on the county yet and that the board help the county in the process of defining what needs to be in this special zoning district and a new ordinance.

Controller Williams commended Commissioner Mix for her work on this issue. He observed that there are a lot of private interests in the area, mostly homeowners. There are a lot of trucks that come down the road, particularly during the construction season. A lot of those property owners and homeowners knew what was up Ohio Gulch when they built or bought their homes. But in the law something can become a nuisance after the fact. There are a lot of equities on both sides. Controller Williams stated he does not believe the Land Board really wants to get involved in a zoning process. But he feels it is in the best interest of the County to work something out.

Controller Williams stated that one of the problems is the Department of Transportation wants to go ahead with their road contract. They have to know their source of gravel before they let the contract. Gravel from the state is cheaper because it is obtained within a mile of the road. Other gravel would have to be hauled in from a distance. Controller Williams feels there may still be a window of opportunity to come to an agreement.

BOARD ACTION: No action was taken on this agenda item.

11a. Audience with the Board – Mr. Bill Shearer

☐ Wildland Firefighting

Mr. Shearer is a commercial pilot in Idaho. He mainly flies tourists into the Idaho wilderness during the summer. Mr. Shearer is familiar with Forest Service fire fighting efforts, especially as related to aviation.

MR. SHEARER: Fires create a great economic hardship to many businesses – outfitters and supply businesses and tourist businesses – and consequently fires have an economic effect on the state of Idaho.

Fire fighters should go out on all fires as soon as smoke is seen. Because there is often a delay before fire fighting is started, fires frequently grow out of control. The use of aerial attacks, planes and helicopters, would aid in putting these small fires out quickly before they spread.

The state of Idaho, through its elected representatives at the federal level and through the Board of Land Commissioners, should urge the federal government to change its fire policy. The Land Board should also urge the legislature to make a memorial to Congress that the Forest Service change its act and begin to fight the fires. If that approach does not work, the board should consider setting up its own small aerial attack unit by putting out rental agreements or contracts, similar to the method used by the Forest Service. The state of Idaho could then vigorously fight fires, even on Forest Service land. Problems could be created if the state fought fires on Forest Service land but the gain for Idaho would be far greater than any problems it might cause.

In conclusion, Mr. Shearer suggested that controlled burns in the spring or late fall, just before snow, makes more sense than an uncontrolled burn.

DISCUSSION: Attorney General Lance asked Mr. Shearer if he would be willing to draft a proposed memorializing resolution that the board could review. Then the board could send the resolution on to the legislature for adoption. Mr. Shearer responded that he would be happy to work on a resolution but he may need assistance with the wording. Attorney General Lance stated that assistance would be provided.

Governor Kempthorne added that the Interior Appropriations Bill now contains language directing the secretaries of Interior and Agriculture to work with the governors and states and that the states will be full partners in developing new forest policies.

BOARD ACTION: No action was taken on this agenda item.

12. Director's Report – *Presented by Jay Biladeau, Assistant Director, Lands, Range, Minerals, Department of Lands*

Summary of fiscal year-to-date 2001 Earnings Reserve Revenue

Available Earnings Reserve Totals (through August 31, 2000):

✓ Public Schools	\$22,007,977
✓ Pooled	\$19,758,755
✓ Total	\$41,766,732
✓ Transfer Out to IDL Operations	\$ 2,500,000
✓ Net Revenue from IDL to Earnings Reserve Fund	\$39,266,732

BOARD ACTION: The Director's Report is provided monthly for the board's information. No action was taken on this agenda item.

13. Endowment Fund Investment Board Manager's Report – *Presented by Charles G. Saums, Manager of Investments*

July 31, 2000

✓ Total Market Value of Endowment Funds	827,599,520.00
✓ Total Market Value of Permanent Corpus	803,750,681.00
✓ Total Market Value of Earnings Reserve	23,848,839.00

August 31, 2000

✓ Total Market Value of Endowment Funds	855,280,350.00
✓ Total Market Value of Permanent Corpus	803,865,761.00
✓ Total Market Value of Earnings Reserve	51,414,589.00

BOARD ACTION: The EFIB Manager's Report is provided monthly for the board's information. No action was taken on this agenda item.

14. Federal Lands Task Force Working Group – Progress Report – *Presented by John McGee, Coordinator, Federal Lands Task Force Working Group*

Mr. McGee stated that the Federal Lands Task Force Working Group (Group) has narrowed its focus to five pilot projects. Those projects are located all over the state. The projects are the Priest Lake Cooperative, the St. Joe Stewardship Project, the Clearwater Basin, the Central Idaho Ecosystem and the Twin Falls-Cassia Resource Enhancement Trust. The five projects have a form that can be tested with the three management styles developed by the original Federal Lands Task Force. Those management styles are the Trust Model, the Cooperative Model and the Collaborative Model. Recent fires have demonstrated the importance of the pilot projects and have afforded an opportunity to test the projects.

The five projects have been thoroughly analyzed by subcontractors. Bill Bachman and Vincent Carrao consulted with the Group to analyze the five projects for economic and ecological facets. The

Group has also worked closely with Idaho's congressional delegation. Staff members from the delegation have been at most of the meetings. In particular, Senator Craig's staff has been at nearly every meeting. Jay O'Laughlin has also been very involved with the report process and has helped to make the report a very efficient piece of literature.

The Group intends to present the final report at the board's regular November 14, 2000 Land Board meeting. The Group's goal for the next month is to take the draft report, Version 6, and turn it into something similar to the report provided by the original Federal Lands Task Force.

DISCUSSION: Attorney General Lance commented Lt. Governor Otter has expressed an interest in taking action regarding the harvest of the 841,000 acres of timber lying around with a time window of about 18 months before that timber rots and turns into more of a bug problem. He suggested that Mr. McGee check with Lt. Governor Otter to see what he had in mind. Lt. Governor Otter has been consulting with a variety of individuals in an attempt to get the timber harvested. Attorney General Lance feels it would be a very effective and directed mission of the Federal Lands Task Force to assist or to develop a plan. He asked that Mr. Gee and the Working Group take a look at the issue. Mr. McGee stated he would do so.

BOARD ACTION: No action was taken on this agenda item.

15. Request for Proposal (RFP) – Trading Post on Highway 75 in Lincoln County –

Presented by Jude Gary, Commercial Leasing Specialist – approved

DEPARTMENT RECOMMENDATION: The Department recommends approval of the RFP process.

DISCUSSION: None.

BOARD ACTION: A motion was made by Attorney General Lance to accept the department's recommendation. Superintendent Howard seconded the motion. There being no objection voiced, the motion carried by unanimous consent.

16. Request for Proposal (RFP) – Winter Entertainment Park – *Presented by Alvin Carr, Leasing Specialist – approved*

DEPARTMENT RECOMMENDATION: The department requests approval to proceed with a Request for Proposals (RFP) leasing process for a winter entertainment park on Public School endowment land within Section 36, Township 6 North, Range 5 East, located in the Steamboat Gulch area of Idaho City, Idaho.

DISCUSSION: Attorney General Lance commented he feels there are some unique issues relative to potential liability. Mr. Carr responded that he has worked with department legal counsel on development of the RFP and the department's standard lease. Typically, the department would look at a minimum of \$500,000 liability insurance and for risk management purposes, the department recommends \$1 million liability insurance coverage.

BOARD ACTION: A motion was made by Attorney General Lance to accept the department's recommendation with the understanding that the proposal has been approved by both Risk Management and the Attorney General's staff. Superintendent Howard seconded the motion. The motion carried on a vote of 5-0.

17. Columbia Spotted Frog Agreement/Reclassification Appeal from Idaho Watersheds Project (IWP) – *Presented by Tracy Behrens, Range Management Specialist – deferred*

DEPARTMENT RECOMMENDATION:

1. IWP's request to reclassify the lands in question and subsequent appeal to the Board of the Director's denial be denied.

2. Based on the information available concerning spotted frog habitat management and on consensus agreement between IDL, IDFG, USFWS, BSU and Mr. Black, Land Board approve a grazing lease to Joseph Black incorporating the following management provisions:
 - The lessee will work cooperatively with IDL, IDFG, USFWS and BSU to construct and maintain exclosures around agreed to ponds and other riparian sites to promote the maintenance of healthy spotted frog habitat.
 - Salt and any mineral supplement must be placed in upland areas, a minimum of one-quarter mile from the wet meadow complex or live surface water. It must be removed from the pasture when livestock are not in the unit.
 - The grazing season will generally be August 15 to October 15, within the limits of vegetation production. Initial stocking rate will be limited to 252 AUMs on the state land within the Sam Noble Spring pasture. Any use outside this identified limit must be approved in advance by IDL.
 - The lessee will cooperate with IDL to implement a riparian vegetation-monitoring program to monitor trend, community type, stability and ecological status.
 - The lessee will cooperate with IDL, IDFG, USFWS and BSU to implement a spotted frog-monitoring program.

BOARD ACTION: This agenda item was deferred.

18. Reclassification of Endowment Lands Managed in Cooperation with the Andrus Wildlife Management Area – Presented by Tracy Behrens, Range Management Specialist – approved

DEPARTMENT RECOMMENDATION: The department recommends that the endowment lands associated with the AWMA and incorporated into leases G-5056, 5057, 5058 and 5059, currently held by IDFG, be reclassified from General Management Zone-Range Grazing to Special Management Zone-Designated Wildlife Management Area. The department further recommends that upon reclassification the current grazing leases be cancelled and the entire block of endowment land be offered as one miscellaneous lease with rent of \$16,000 per year, adjusted annually by CPI-U.

DISCUSSION: Mr. Bob Howard was in the audience. Governor Kempthorne asked Mr. Howard if he was in concurrence with the proposed lease. Mr. Howard stated yes.

BOARD ACTION: A motion was made by Attorney General Lance to accept the department's recommendation. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.

19. Idaho Department of Parks and Recreation/Idaho Department of Lands Land Exchange – Request for Final Approval – Presented by Perry A. Whittaker, Chief, Bureau of Real Estate and Kent Nelson, Deputy Attorney General – approved

DEPARTMENT RECOMMENDATION: IDL staff request final approval to complete the exchange involving the Meridian property and the NCC site. Once staff appraisals are completed, timberland properties will be exchanged to IDL under the terms of the previously approved IDL/IDPR exchange agreement to complete the NCC portion of the Ponderosa Park exchange.

DISCUSSION: None.

BOARD ACTION: A motion was made by Attorney General Lance to accept the department's recommendation. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.

- **INFORMATION AGENDA**

Assistant Director Biladeau briefed the Land Board on the Information Agenda items. No Land Board action is required on the Information Agenda.

20. Timber Sale Activity Report – As of August 2000

Volume Under Contract as of August 31, 2000

Active Contracts	177
Estimated Residual Net Volume	307,546 MBF
Estimated Residual Net Value	\$99,572,250

General Outlook. Harvest operations have been reduced on sales throughout the state, primarily due to the poor market conditions and to a lesser extent due to fire restrictions. Much of the department's field personnel, who are responsible for timber sale contract administration, have been detailed to fire assignments.

21. 2000 Fire Season Update

YEAR	LIGHTNING	HUMAN	ACRES
2000	170	132	82,909
1999	178	157	636
1998	210	90	502

22. Tussock Moth Briefing

Surveys conducted by the department have shown that populations of the Douglas-fir tussock moth insect have been steadily increasing over the past several years in northern Idaho. In the spring of 2000 locally high populations caused visible defoliation. The general area of the infestation extends from Moscow to Tensed and to Deary on the east. The outbreak has created intense interest on the part of local landowners. There is great concern as to the potential for damage to their forests. Based on previous outbreaks we anticipate that this outbreak will continue into next year and possibly beyond. There is some potential for it to collapse due to natural causes by the end of the next season. However, this will not occur before considerable defoliation has taken place, which may lead to top kill and mortality of the trees.

Further surveys have been or are being conducted to determine the extent and intensity of the outbreak. Currently there appears to be about 40,000 – 45,000 acres infested with tussock moth. Some acres are showing intense defoliation where most of the needles have been consumed by the feeding caterpillars. However, most of the area has light to medium defoliation. During the late summer and early fall we will complete a pheromone monitoring survey for adults, an egg mass/pupal survey and a survey to determine the incidence of the naturally occurring virus in the moth population. The results of these surveys will be presented in public meetings planned for this fall and will be used as the basis for decisions on the need and desirability for treatment in the spring of 2001.

23. Cedars Floating Restaurant Lease Update

24. Sage Junction Request for Proposal (RFP) Marketing Update

25. Commercial Transitional Land List

26. Results of Auctions for Grazing Leases G-6265, G-6284, G-6394, G-6496 and G-7506

27. Grazing Fee for Calendar Year 2001

28. Federal Land Policy

- A motion was made by Secretary of State Cenarrusa to resolve into Executive Session at 11:23 a.m. State Controller Williams seconded the motion. The motion carried on a vote of 4-0 with Attorney General Lance being absent for this vote.

- **To Consider and Advise Its Legal Representatives in Pending Litigation or Where There is a General Public Awareness of Probable Litigation, Idaho Code § 67-2345 (1)(f)** – *Presented by David J. Barber, Deputy Attorney General*
- **To Consider Acquiring an Interest in Real Property Which is Not Owned by a Public Agency, Idaho Code § 67-2345 (1)(c)** – *Presented by Perry A. Whittaker, Chief, Bureau of Real Estate and Kent Nelson, Deputy Attorney General*
- **To Consider and Advise Its Legal Representatives in Pending Litigation or Where There is a General Public Awareness of Probable Litigation, Idaho Code § 67-2345 (1)(f)** – *Presented by Clive Strong, Deputy Attorney General*
- ❑ A motion was made by Controller Williams to return to Regular Session at 12:00 p.m. Secretary of State Cenarrusa seconded the motion. The vote carried on a vote of 4-0 with Attorney General Lance being absent for this vote.

IDAHO STATE BOARD OF LAND COMMISSIONERS

/s/

President, State Board of Land Commissioners and
Governor of the State of Idaho

/s/

Pete T. Cenarrusa
Secretary of State

/s/

Stanley F. Hamilton
Director

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